The Consolidated Statement of Operations for fiscal 2004 reflects results from the EU region for the nine months of the fiscal year prior to the incorporation. The Consolidated Statements of Operations for the years ended September 30, 2004, 2003 and 2002 reflect the following amounts from the EU region:

For the Years Ended September 30,	**2004***	2003	2002
Total Revenues	**$387,595**	$418,151	$366,656
Total Expenses	**385,332**	417,098	365,455
Income Before Income Taxes	**$ 2,263**	$ 1,053	$ 1,201

**Fiscal 2004 reflects the nine-month period ended June 30, 2004 prior to the incorporation.*

In October 2001, the Company entered into a twenty-year lease agreement for premises to be occupied by the EU and the CEMEA regions. As of July 1, 2004, the entire lease was assigned to VESI with the Company acting as a guarantor to the landlord as required by United Kingdom property law. In the event of a default by VESI, the Company is obligated to make lease payments. The base rent commitment is £7.5 million each year or $13.5 million in U.S. dollars (based on the September 30, 2004 exchange rate). Rent is allocated based on the square footage occupied by the tenants and is currently 81.1% for VESI and 18.9% for the CEMEA region at September 30, 2004. VESI has agreed to reimburse the Company for any liabilities that may arise under the Company's guarantee to the landlord. As a result, the impact of this guarantee is immaterial to the Company's consolidated financial position or results of operations at September 30, 2004.

Prior to the EU region's incorporation, the Company entered into Euro and Pound Sterling forward and option contracts to manage the variability in the EU region's expected cash flows attributable to changes in these foreign exchange rates. On July 1, 2004, these contracts were assigned to VESI with the Company acting as a guarantor. Because these forward and option contracts expired by the end of fiscal 2004, there is no impact to the Company's financial statements for the year ended September 30, 2004.

Note 5 – Discontinued Operations (Sale of Inovant, Inc.)

Inovant, Inc. ("Inovant") was separately incorporated in April 2000 to provide worldwide transaction processing services and systems development. In October 2002, the Company's Board of Directors passed a resolution approving the sale of Inovant to Visa U.S.A. and the subsequent formation of Inovant LLC. This sale supports the Company's strategy of building distributed processing capabilities to serve diverse regional markets more efficiently and effectively. The sale of Inovant and the subsequent formation of Inovant LLC closed in January 2003, with Visa U.S.A. becoming the majority shareholder and with minority interest held by Visa Canada and the Company's A-P and LAC regions. The Company's carrying value of its ten percent investment in Inovant LLC at September 30, 2004 and 2003 was $6.9 million and $4.3 million, respectively, and was recorded in other assets.

The sale price of $67.9 million was based upon the net book value of assets of $152.0 million less liabilities of $84.1 million at December 31, 2002, and no gain or loss was recorded as a result of the sale.

The sale of Inovant represents the disposal of a business segment under SFAS No. 144. Accordingly, the accompanying Consolidated Statements of Operations reflect Inovant as a discontinued operation for the years ended September 30, 2003 and 2002. Operating results of the discontinued operation are as follows:

For the Years Ended September 30,	2003*	2002
Total Revenues	$160,268	$650,962
Total Expenses	157,677	644,372
Income Before Income Taxes	2,591	6,590
Income Tax Expense	1,036	2,636
Net Income from Discontinued Operations	$ 1,555	$ 3,954

**Fiscal 2003 reflects the three-month period ended December 31, 2002 prior to the sale.*

Note 6 – Visa Affiliates

Visa U.S.A., Visa Europe and Visa Canada are separately incorporated group members of Visa International. The results of their operations are not consolidated with those of the Company (other than as discussed in Note 4). The Company provides global brand management, global product enhancements and global development of the Visa payments system to all three group members based on fees ratified by the Company's Board of Directors. The Company is a party to numerous agreements with these Visa affiliates which allow each company to provide services to the other at negotiated fees. The Company earned total fees from these

Notes to Consolidated Financial Statements

(Dollars in thousands, except as noted)

affiliates for the years ended September 30, 2004, 2003 and 2002 as follows:

For the Years Ended September 30,	**2004**	2003	2002
Service Fees:			
Visa U.S.A.	**$196,297**	$214,061	$199,931
Visa Europe	**33,482**	–	–
Visa Canada	**16,212**	18,336	17,088
Total Service Fees	**$245,991**	$232,397	$ 217,019
	2004	2003	2002
Data Processing:			
Visa U.S.A.	**$ 2,246**	$ 2,419	$ 2,177
Visa Europe	**410**	–	–
Visa Canada	**149**	121	106
Total Data Processing	**$ 2,805**	$ 2,540	$ 2,283
Other Revenues:			
Visa U.S.A.	**$ –**	$ 50	$ –
Total Other Revenues	**$ –**	$ 50	$ –
Total Fees	**$248,796**	$234,987	$219,302

Visa U.S.A. accounted for approximately 37.5%, 38.6% and 40.7% of the Company's total card sales volume for the years ended September 30, 2004, 2003 and 2002, respectively. Visa Europe accounted for approximately 35.2% of the Company's total card sales volume for the year ended September 30, 2004.

At September 30, 2004 and 2003, accounts receivable on the Consolidated Balance Sheets include the following amounts due from Visa affiliates:

September 30,	**2004**	2003
Visa U.S.A.	**$ 1,103**	$12,159
Visa Europe	**13,927**	–
Visa Canada	**428**	701
Total	**$15,458**	$12,860

The Company has agreements with Inovant LLC for processing worldwide transactions and other services, primarily related to system development in support of Visa branded products and services. Total expenses for these services were recorded as affiliates services in the Consolidated Statements of Operations. At September 30, 2004 and 2003, amounts payable to Inovant LLC of $19.5 million and $26.0 million, respectively, were recorded in accrued and other liabilities on the Consolidated Balance Sheets.

Note 7 – Investments

Trading Assets and Deferred Compensation Liabilities

The Company maintains its trading assets portfolio to generate returns related to certain deferred executive compensation plans. As the fair value of trading securities changes, a corresponding adjustment is made to deferred compensation liabilities, resulting in an increase or decrease in interest and other, net, that generally offsets the net realized or unrealized gains and losses on trading securities. The deferred compensation liabilities are $68.3 million and $74.0 million at September 30, 2004 and 2003, respectively, and are included in accrued and other liabilities on the Consolidated Balance Sheets. The dividends and net realized and net unrealized gains (losses) from trading assets for the years ended September 30, 2004, 2003 and 2002 are as follows:

For the Years Ended September 30,	**2004**	2003	2002
Dividends	**$ 960**	$ 759	$ 1,174
Net Realized Gains (Losses)	**663**	(1,406)	(751)
Net Unrealized Gains (Losses)	**973**	3,321	(1,429)
Total	**$2,596**	$ 2,674	$(1,006)

Available-for-Sale Investments

The Company's available-for-sale investment securities consist of agency debt securities, time deposits, commercial paper and marketable equity investments in public companies. The amortized cost, gross unrealized gains and losses, and fair value of available-for-sale securities at September 30, 2004 and 2003 are as follows:

	Amortized	Gross Unrealized		Fair
September 30, 2004	Cost	Gains	Losses	Value
U.S. Agency Debt	**$ 62,284**	**$ –**	**$(7)**	**$ 62,277**
Time Deposits	**24,900**	**–**	**–**	**24,900**
Commercial Paper	**21,175**	**2**	**–**	**21,177**
Marketable Equity Securities	**–**	**1,715**	**–**	**1,715**
Total	**$108,359**	**$1,717**	**$(7)**	**$110,069**

September 30, 2003	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Agency Debt	$27,536	$ 1	$ –	$27,537
Marketable Equity Securities	17	1,251	–	1,268
Total	$27,553	$1,252	$ –	$28,805

Available-for-sale investments, other than marketable equity securities, have maturities of greater than three months but less than one year.

The realized gains and losses from available-for-sale investments for the years ended September 30, 2004, 2003 and 2002 are as follows:

For the Years Ended September 30,	**2004**	2003	2002
Gross Realized Gains	**$1,390**	$ 7	$ 154
Gross Realized Losses	**–**	(2)	(803)
Net Realized Gains (Losses)	**$1,390**	$ 5	$(649)

Due to the high credit quality of the Company's investment securities, there are no investment securities in continuous gross unrealized loss positions for greater than twelve months at September 30, 2004, 2003 or 2002, respectively.

Other Investments

The Company has other investments accounted for under the cost and equity methods. None of the Company's equity method investments are considered to be significant subsidiaries as neither the investments in the entity nor the equity in the Company's earnings from these unconsolidated subsidiaries exceeded 20% of the Company's total assets or operating income, respectively.

Note 8 – Premises and Equipment, net

Premises and equipment, net, at September 30, 2004 and 2003 consisted of the following:

September 30,	**2004**	2003
Land	**$ 22,133**	$ 26,777
Buildings	**117,784**	145,488
Furniture, Fixtures and Leasehold Improvements	**55,396**	123,973
Computer Equipment	**85,915**	146,344
Projects/Construction-in-Progress	**269**	10,670
Total Premises and Equipment	**281,497**	453,252
Less: Accumulated Depreciation	**97,736**	192,861
Premises and Equipment, net	**$183,761**	$260,391

At September 30, 2003, projects-in-progress included equipment purchases for system development.

The Company's depreciation expense associated with premises and equipment amounted to $37.7 million, $46.3 million and $75.4 million for the years ended September 30, 2004, 2003 and 2002, respectively. Of these amounts, $10.1 million and $21.4 million related to Inovant and are included in the results of discontinued operations for the years ended September 30, 2003 and 2002, respectively.

Note 9 – Intangible Assets

The components of identifiable intangible assets at September 30, 2004 and 2003 are as follows:

September 30, 2004	Gross Amount	Accumulated Amortization	Intangible Assets, Net
Capitalized Software	**$71,775**	**$20,415**	**$51,360**
Other	**5,911**	**5,768**	**143**
Total	**$77,686**	**$26,183**	**$51,503**

September 30, 2003	Gross Amount	Accumulated Amortization	Intangible Assets, Net
Capitalized Software	$67,805	$22,060	$45,745
Other	5,911	5,685	226
Total	$73,716	$ 27,745	$45,971

Capitalized software includes both purchased and internally developed software.

Notes to Consolidated Financial Statements

(Dollars in thousands, except as noted)

The Company's amortization expense was $8.2 million, $7.7 million and $16.3 million for the years ended September 30, 2004, 2003 and 2002, respectively. Of these amounts, $1.6 million and $3.6 million related to Inovant and are included in the results of discontinued operations for the years ended September 30, 2003 and 2002, respectively.

Estimated future amortization expense on intangible assets is as follows:

For the Years Ending September 30,	
2005	$19,795
2006	17,407
2007	14,292
2008	9
2009	–
Thereafter	–
Total	$51,503

Note 10 – Investments in Real Estate Joint Ventures

The Company and Visa U.S.A. invest in real estate joint ventures that own, develop, lease and operate certain facilities and properties used jointly by the Company and Visa U.S.A. The following represents the Company's investments in the joint ventures at September 30, 2004 and 2003:

September 30,	Ownership Percentage	**2004**	2003
Visa Resources	50.0%	**$ 3,854**	$ 5,612
Visa Land Management, Inc.	50.0%	**343**	334
Visa Land Management II, Inc.	50.0%	**148**	142
Visa Land Development I, L.P.	49.5%	**9,191**	8,215
Visa Land Development II, L.P.	49.5%	**8,311**	7,468
Total		**$21,847**	$21,771

Visa Resources, a California General Partnership, manages and invests in or leases premises and equipment used jointly by its general partners, Visa U.S.A. and the Company. Visa Land Management, Inc. and Visa Land Management II, Inc. manage the interests of Visa Land Development I, L.P. and Visa Land Development II, L.P., respectively, in various leased premises and owned real estate. The Company also owns and leases two buildings in the San Francisco Bay Area to Visa Resources to manage as additional space for the Company and Visa U.S.A. The total lease payments by Visa Resources to the Company for the years ended September 30, 2004, 2003 and 2002 were $15.2 million, $8.2 million and $7.0 million, respectively.

Summarized combined financial information of the real estate joint ventures is as follows:

Combined Balance Sheets

September 30,	**2004**	2003
Current Assets	**$ 14,802**	$ 12,483
Premises and Equipment, net	**90,987**	95,663
Other Assets	**1,206**	1,381
Total Assets	**$106,995**	$109,527
Current Liabilities	**$ 61,585**	$ 64,024
Other Liabilities	**1,364**	1,644
Equity	**44,046**	43,859
Total Liabilities and Equity	**$106,995**	$109,527

Combined Statements of Operations

For the Years Ended September 30,	**2004**	2003	2002
Total Revenues	**$86,528**	$84,046	$ 84,029
Total Expenses	**86,333**	83,744	83,822
Income Before Taxes	**$ 195**	$ 302	$ 207

Visa Resources charges the combined costs of facilities, equipment and other shared services to the Company and Visa U.S.A., based on an agreed upon methodology. For the years ended September 30, 2004, 2003 and 2002, the Company was allocated $13.4 million, $20.8 million and $47.1 million of these expenses, respectively. These amounts represented 19.9%, 32.4% and 73.7% of total allocated expenses, respectively. Of these amounts, $9.2 million and $36.5 million related to Inovant and are included in the results of discontinued operations for the years ended September 30, 2003 and 2002, respectively.

At September 30, 2004, total future minimum lease payments, net of sublease rental income of $0.7 million, under

combined non-cancelable operating leases with original terms of more than one year are as follows:

For the Years Ending September 30,	
2005	$11,231
2006	10,700
2007	10,877
2008	9,749
2009	9,789
Thereafter	47,071
Total Lease Commitments	$99,417

Note 11 – Debt

Commercial Paper

The Company maintains a $300.0 million commercial paper program to support its working capital requirements and for general corporate purposes. This program allows the Company to issue unsecured debt securities with maturities up to 270 days from the date of issuance at interest rates generally extended to companies with comparable credit ratings. As of September 30, 2004 and 2003, the Company had no outstanding obligations under this program.

Credit Facilities

The Company utilizes revolving credit facilities to primarily provide liquidity in the event of settlement failures by the Company's members and to back up the existing commercial paper program.

During fiscal 2004, the Company had the following revolving credit facilities that were syndicated with various financial institutions that are members or affiliates of members of the Company:

	Maximum Allowed Borrowing under Credit Facility	Maturing
364-Day Facility	$822,500	October 2004
Three-Year Facility	$178,800	August 2004
Incremental Facility	$500,000	October 2004

The Company secured $500.0 million in additional credit facilities during December 2003 to support seasonal settlement volumes. These facilities matured on December 31, 2003 and were subsequently replaced in June 2004 with a short-term facility maturing in October 2004.

Interest rates on the credit facilities are determined by a ratings-based pricing grid which uses the Company's senior unsecured long-term debt rating as assigned by Standard and Poor's and Moody's Investors Service. Interest is assessed at various conventional reference rates plus applicable margins. Upfront issuing costs and other fees incurred for these facilities were insignificant in each of the past three years.

The facilities contain certain covenants and events of default, including financial covenants related to consolidated accumulated net income and other indebtedness. During the years ended September 30, 2004, 2003 and 2002, the Company was in compliance with all covenants. As of September 30, 2004 and 2003, there were no borrowings under the credit facilities.

In October 2004, the Company entered into new agreements for a $1.2 billion 364-Day revolving credit facility maturing in October 2005 and a $300.0 million Three-Year revolving credit facility maturing in October 2007. An uncommitted $400.0 million Incremental line was included within the 364-Day credit facility to further support the settlement process. It can be activated by the Company on a limited basis. The new facilities were obtained under similar terms and conditions to the facilities held during fiscal year 2004.

Long-Term Debt

Long-term debt at September 30, 2004 and 2003 consisted of the following:

September 30,	**2004**	2003
Medium-Term Note – maturing August 2009; fixed interest rate of 7.53%; payable semi-annually	**$40,000**	$45,000
Unamortized Discount and Debt Issuance Cost	**(121)**	(148)
Total Debt	**39,879**	44,852
Less: Current Portion	**–**	4,998
Long-Term Debt	**$39,879**	$39,854

The Company established a medium-term note program in 1992 to offer up to $250.0 million of unsecured private placement notes. The notes may be issued with maturities from nine months to thirty years at fixed or floating interest rates. In February 2004, a medium-term note of $5.0 million matured and was paid in full. No medium-term notes were issued in fiscal years ending 2004 or 2003.

Notes to Consolidated Financial Statements

(Dollars in thousands, except as noted)

Interest paid on the outstanding notes for the years ended September 30, 2004, 2003 and 2002 were $3.2 million, $3.4 million and $3.9 million, respectively.

Note 12 – Settlement Guarantee Management

Under its corporate By-Laws, the Company indemnifies a member for any loss suffered due to failure of any other member to honor drafts, travelers cheques or other instruments processed in accordance with the Company's operating regulations. The term of the indemnification covers the period until both sides of the transaction are settled.

The Company also provides protection to members and merchants who have incurred losses as a result of counterfeit travelers cheques. The Company has insurance coverage for losses on counterfeit travelers cheques in excess of $1.0 million to a maximum of $5.0 million.

Member Collateral

To reduce losses from settlement, the Company requires certain members to post collateral to ensure performance of settlement obligations arising from card and travelers cheque product clearings. The type of collateral is based on Board-approved guidelines and generally includes cash equivalents, letters of credit, guarantees and securities. At September 30, 2004 and 2003, the Company held collateral as follows:

September 30,	**2004**	2003
Cash Equivalents	**$427,691**	$ 465,549
Letters of Credit	**204,540**	227,474
Guarantees	**157,691**	464,609
Securities	**1,219**	10,760
Total Collateral	**$791,141**	$1,168,392

Approximately $279.3 million and $437.6 million of cash equivalents are classified as both an asset and corresponding liability on the Consolidated Balance Sheets at September 30, 2004 and 2003, respectively. The remaining collateral was held by third parties in trust for the Company and its members.

Settlement Risk Reserve

Settlement risk is estimated using the average daily card and travelers cheques charges during the quarter multiplied by the estimated number of days to settle. The Company's estimated settlement exposure, after consideration of the collateral amounts set forth above, amounted to $33.8 billion and $32.5 billion at September 30, 2004 and 2003, respectively.

The Company has established a reserve associated with its obligation to guarantee the settlement of transactions outstanding. The amount of the reserve is based on current economic conditions, as well as the Company's examination of the credit quality of member financial institutions, their related settlement volumes, prior loss experience, availability and cost of liquidity and other industry data. At September 30, 2004 and 2003, the Company had a reserve of $44.9 million and $60.3 million, respectively, included in accrued and other liabilities on the Consolidated Balance Sheets.

As a result of the effectiveness of the Company's global risk management policies and procedures, and the historically low level of losses that the Company experienced, the settlement reserve value is considered adequate.

Note 13 – Retirement and Other Employee Benefit Plans

Substantially all of the Company's employees are covered by various contributory and noncontributory benefit plans. The major plans are described below.

United States Plans

The Company sponsors jointly with Visa U.S.A. a noncontributory, defined benefit pension plan, which provides retirement benefits for substantially all of its employees in the United States. Pension plan expense was accrued as actuarially determined under the projected unit credit method. The benefits are based upon years of service, age and the employee's final three years of earnings, or in the case of employees hired after September 30, 2002, the employee's final five years of earnings. The pension plan assets are invested in pooled and mutual funds. The Company uses a June 30th measurement date for pension and postretirement benefits. Information presented reflects this measurement date. The last actuarial valuation for this pension plan was made on June 30, 2004.

The Company made one amendment to its pension plan, effective November 1, 2003. The amendment limits the maximum leave period that may be taken into account for pension benefit purposes to twenty-four months in aggregate. This amendment is not anticipated to have a material impact on the Company's pension liability.

The Company also participates jointly with Visa U.S.A. in a postretirement plan that provides postretirement medical benefits to its retirees and dependent spouses in the United States who meet the minimum age and service requirements. Benefits are provided from the retirement date until the retiree reaches age sixty-five. Retirees must contribute on a monthly basis for the same coverage that is generally available to active employees and their dependents. The Company's contributions are funded on a current basis. During 2003, the Company approved a change in contribution strategy for retirees. Previously, retirees contributed 20% of premiums. Beginning in 2004, the retirees contribute, on a monthly basis, all amounts in excess of Visa's fixed dollar subsidy for the same coverage that is generally available to active employees and their dependents. The effect of this plan amendment was a reduction of $29.3 million in benefit obligation at September 30, 2003.

For the year ended September 30, 2004, the Company made substantial excess pension plan payments, and as a result, was required to recognize its proportionate share of previously unrecognized losses through settlement accounting as defined in SFAS No. 88, *"Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits."* The Company's portion of pension plan payments and net settlement loss is recorded in personnel expenses in the Consolidated Statements of Operations and is summarized below:

For the Year Ending September 30, 2004	
Plan Payments:	
Total Excess Pension Plan Payments	**$33,674**
Visa International Portion of Excess Pension Plan Payments	**$11,527**
Settlement Loss:	
Total Net Settlement Loss	**$37,502**
Visa International Portion of Net Settlement Loss	**$12,035**

As a result of settlement accounting and the accelerated recognition of previously unrecognized losses, the non-qualified pension expense for fiscal 2004 was reduced by $0.7 million and future expense will be similarly reduced.

The following tables provide an aggregate reconciliation of the benefit obligations, plan assets, funded status and amounts recognized in the financial statements related to the pension plan and the postretirement plan of Visa International and Visa U.S.A.:

Measurement Date June 30,	Pension Benefits **2004**	Pension Benefits 2003	Postretirement Benefits **2004**	Postretirement Benefits 2003
Changes in Benefit Obligation				
Beginning of Year	**$ 556,691**	$ 407,782	**$ 49,403**	$ 47,591
Service Cost	**62,057**	46,823	**5,759**	6,533
Interest Cost	**35,937**	32,537	**3,249**	3,873
Plan Amendments	**-**	-	**-**	(29,332)
Actuarial Loss	**19,992**	87,639	**1,707**	22,214
Settlements	**14,385**	-	**-**	-
Benefit Payments	**(87,902)**	(18,090)	**(2,051)**	(1,476)
Benefit Obligation - End of Year	**$ 601,160**	$ 556,691	**$ 58,067**	$ 49,403
Accumulated Pension Benefit Obligation	**$ 391,425**	$ 357,096	**-**	-
Change in Plan Assets:				
Fair Value of Plan Assets – Beginning of Year	**$ 340,124**	$ 284,061	**$ -**	$ -
Actual Return on Plan Assets	**54,416**	7,331	**-**	-
Employer Contribution	**109,499**	66,822	**2,051**	1,476
Benefit Payments	**(87,902)**	(18,090)	**(2,051)**	(1,476)
Fair Value of Plan Assets - End of Year	**$ 416,137**	$ 340,124	**$ -**	$ -
Funded Status:				
End of Year	**$(185,022)**	$(216,567)	**$(58,067)**	$(49,403)
Unrecognized Prior Service Cost	**9,385**	10,396	**(25,639)**	(30,298)
Unrecognized Net Actuarial Loss	**191,263**	236,601	**27,616**	27,984
Contributions between Measurement Date and End of Year	**4,374**	195	**709**	513
Net Amount Recognized	**$ 20,000**	$ 30,625	**$(55,381)**	$(51,204)
Visa International Portion of Prepaid (Accrued) Benefit	**$ 6,269**	$ 8,398	**$(12,589)**	$(12,139)

Assumptions used, on a weighted-average basis, to develop the projected benefit obligation for the plans were as follows:

Discount Rate	**6.3%**	6.0%	**6.3%**	6.0%
Rate of Increase in Compensation Levels	**5.5%**	5.5%	**-**	-

Notes to Consolidated Financial Statements

(Dollars in thousands, except as noted)

Net periodic pension and other postretirement cost for the plans included the following components:

	Pension Benefits			Postretirement Benefits		
For the Years Ended September 30,	**2004**	2003	2002	**2004**	2003	2002
Service Cost	**$ 62,057**	$ 46,823	$40,688	**$ 5,759**	$ 6,533	$4,386
Interest Cost	**35,937**	32,537	26,500	**3,249**	3,873	2,611
Expected Return on Plan Assets	**(25,086)**	(23,781)	(17,000)	**–**	–	–
Amortization of:						
Prior Service Cost	**1,011**	1,011	1,036	**(4,659)**	(269)	(157)
Actuarial Loss (Gain)	**12,879**	7,625	1,086	**1,878**	124	(156)
Net Periodic Pension Cost	**86,798**	64,215	52,310	**6,227**	10,261	6,684
Additional Settlement Charge	**37,502**	–	–	**–**	–	–
Total Net Benefit Cost	**$124,300**	$ 64,215	$52,310	**$ 6,227**	$10,261	$6,684
Visa International Portion of Net Periodic Pension Cost	**$ 20,523**	$ 15,335	$12,133	**$ 1,195**	$ 2,096	$1,315
Visa International Portion of Additional Settlement Charges	**$ 12,035**	–	–	**–**	–	–
Discontinued Operations Portion of Net Periodic Pension Cost (Refer to Note 5)	**$ –**	$ 7,401	$22,814	**$ –**	$ 1,338	$3,431

Assumptions used, on a weighted-average basis, to develop the net periodic pension and postretirement cost of the plans were as follows:

	Pension Benefits			Postretirement Benefits		
For the Years Ended September 30,	**2004**	2003	2002	**2004**	2003	2002
Discount Rate	**6.0%**	7.3%	7.5%	**6.0%**	7.3%	7.5%
Expected Long-Term Rate of Return on Plan Assets	**7.5%**	8.5%	9.5%	**–**	–	–
Rate of Increase in Compensation Levels	**5.5%**	5.5%	5.5%	**–**	–	–

The expected rate of return on plan assets is primarily based on long-term historical risks and returns associated with each asset class within the portfolio. The expected return is weighted based on targeted allocation and results in a long-term return rate of 7.5%.

The pension plan's target and actual strategic asset allocations at September 30, 2004 and 2003 by asset category were as follows:

	Target	Permissible Range		Actual Allocation	
Asset Class	Allocation	Minimum	Maximum	**2004**	2003
Equity Securities	**70%**	40%	90%	**77%**	72%
Fixed Income	**25%**	10%	30%	**23%**	26%
Other	**5%**	0%	10%	**0%**	2%
Total	**100%**			**100%**	100%